

# Meeting Minutes

## CORAL ACADEMY OF SCIENCE LAS VEGAS REGULAR MEETING OF BOARD OF TRUSTEES

**Date:** June 25, 2016

**Time:** 11:00 am

**Location:** CASLV Sandy Ridge Campus (1051 Sandy Ridge Ave., Henderson, NV 89052)

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All Times are action or possible action items unless denoted otherwise.

### **Call to order**

**The meeting was called to order on Saturday June 25, 2016 at 11:00 am.**

### **Roll Call**

Board Members Present:

Elizabeth Kazelskis, Ann Diggins, Arlene Hayman Dr. Hasan Deniz, Dr. Seyhmus Baloglu, Brin Gibson, and Feyzi Tandogan.

### **Pledge of Allegiance**

#### **A. Action to Adoption of the Agenda (Action)**

*A motion was made by Dr. Deniz to move item F to after Item D. Dr. Deniz made a motion to adopt the agenda with changes. Dr. Baloglu seconded. Motion carried unanimously.*

#### **B. Public Comment**

*No public comments.*

#### **C. Approval of May 21, 2016 Board Meeting Minutes (Action)**

*Dr. Deniz made a motion to approve the May 21, 2016 Board Meeting minutes with corrections to be made in Item I, K, and L (last name typos). Ms. Diggins seconded. Motion carried unanimously.*

**D. Approval of Lease Agreement for Lomie Heard Elementary School Facility (Discussion, Action) - Mr. Gardberg, Legal Counsel**

Mr. Gardberg explained that the lease agreement negotiations were difficult, but a resolution was reached, and the Air Force forced CASLV to sign in advance of this meeting (or else the entire 2016-17 school year was in jeopardy). This is therefore a request for board ratification.

The lease has a five-year term and will terminate when the new facility is built and ready for occupancy. The military will not charge CASLV any rent due to new regulations, saving CASLV over \$30,000 per year. Currently our enrollment is 98% military, and 20% is the threshold for free rent. However, CASLV will accept all responsibility for the 60+ year old building, taking it “as is.” CCSD and Nellis Air Force will assume no responsibility whatsoever.

In sum, Mr. Gardberg has reviewed the lease agreement thoroughly and feels it is relatively fair and reasonable. CASLV has documented all of the defects and disrepair found onsite. Mr. Ercan mentioned that the A/C units are the only major concern, as they are very old, but Nellis AFB has suggested it can resolve any A/C concerns. CASLV will receive keys on July 1, 2016. Mr. Ercan said that CASLV maintenance personnel will begin repairs on July 5, 2016, and the school will also be thoroughly cleaned over the summer. He also mentioned that CASLV will provide a safe and clean facility for the new students.

*Dr. Deniz made a motion to approve and ratify the Lease Agreement for the Lomie Heard Elementary School Facility. Ms. Hayman seconded. Motion carried unanimously.*

**E. Approval of Construction Company for Sandy Ridge Gym (Discussion, Action) -Mr. Ram Janga**

Mr. Ercan explained there have been many delays in the project, the most recent being the HOA—but the HOA has recently approved. He explained that CASLV received seven proposals from various construction companies, after the RFP was re-issued with new information. Mr. Janga explained that the top three companies were selected based of proposed price, construction timeframe, relevant experience, as well as the level of comfortability after the interview. Mr. Janga recommends AF Construction, as they are a very good and reputable company with experience working with schools. The company will take into concern noise and dust during construction, since it is a residential/school location. Mr. Janga checked their references and they are clean. The supervisor has also been with the company for thirty years. The building will be turnkey.

As a status report, the permits have been issued and City Council has approved; we are just waiting on approval from Nevada Power and financing. The project will begin as soon as financing is in place, tentatively during the week of July 1-10, 2016. The school cannot finance it via a bond issuance, because the soft costs of a bond issuance are about \$500,000.

*Mr. Gibson made a motion to approve AF Construction for the Sandy Ridge Campus Gym. Mr. Tandogan seconded. The motion carried unanimously.*

**F. Approval of Back Office Service Provider (Discussion, Action) - Mr. Ercan, Executive Director**

Mr. Ercan explained that this is CASLV's ninth year as a successful school. CASLV has always had in house accounting, with a clean record. After much collaboration between the CFO and office staff, they are requesting the board's approval to outsource back office services due to the continued growth of the school. Mr. Ercan feels that by outsourcing, CASLV will have a more professional team and more transparency.

Three companies were considered; CSMC, based in Temecula, CA, was the final choice by CASLV's executive office. Mr. Nick Driver and Mr. Ryan Schuck of CSMC were present to give a presentation and answer questions.

Mr. Driver explained that CSMC has sixteen years of experience in ten states, and 100 employees who are serving 200 schools. They are currently providing service to another charter school in Las Vegas. They offer financial services to schools so that schools can focus on educational services. CSMC will provide CASLV with a school business team and an accounting team. They also offer Charter Vision, which provides 24/7 current information for the administration and board. This is the best technology in the industry. The pricing is a 12-month flat fee, all-inclusive contract that is fair and reasonable for all five campuses. (However, payroll will be an additional fee of \$400-\$500 a month.) The pricing is based on the Nevada market, not California.

Mr. Gardberg will review and revise the contract, as what he currently has is merely a proposal. Mr. Schuck explained that it would be a three-year agreement/partnership. The contract has a termination clause. Upon approval of the contract, CSMC will start in July with the transition, set-up, and historical work.

Mr. Gibson asked if CSMC is familiar with Nevada laws, to which Mr. Driver responded that they are, Nevada is a straightforward state. California is more regulated. Mr. Driver confirmed that they are licensed and bonded, but no special Nevada licensing was required. Mr. Driver said that CSMC's long-term goal is to build up its presence in Nevada, including hiring employees here.

Mr. Gibson asked Mr. Nick if he has any concerns about outsourcing accounting. Mr. Nick replied that transition will be difficult, however it will be beneficial for CASLV in long term. He feels that financially, it will be more expensive initially to outsource, but the later benefits will be better for the school. He will still keep a small staff to for day-to-day accounting.

Ms. Diggins is concerned about the budget and asked if a cost analysis was done. Mr. Nick responded that he would review the budget again, however CASLV can decrease the number of business office staff.

CSMC will report to all the regular board meetings as well as report any irregularities should they arise. Mr. Gibson feels this will bring transparency, due diligence, and protection to the board. Mr. Driver confirmed that it considers its client to be the board.

Mr. Driver noted that 50%-60% of charter schools over 800 students utilize a back-office service. The Board questioned the timing of this proposal and would have preferred to view it earlier in the year.

*Mr. Gibson made a motion to approve authorization for the Executive Director, in consultation with legal counsel, to begin negotiations and enter into satisfactory contract with CSMC for back office services. The basic terms outlined have been accepted, with a Setup Fee of \$7,200.00, two*

*year \$12,000.00 monthly fee, and third year \$13,000.00 monthly fee. This agreement is contingent on confirmation from counsel that the procurement laws have been satisfied, and the engagement of the Charter School Authority to verify modification of charter. Mr. Tandogan seconded. The motion carried unanimously.*

(5 minute break at 1:05 pm. The meeting resumed at 1:10 pm.)

**G. Discussion and Approval of agreement of NSLP authorized Lunch Provider (Discussion, Action) - Mr. Ercan, Executive Director**

Mr. Ercan explained that the Nellis Campus has a higher percentage of students that will qualify for Free and Reduced Meals than the Henderson and Centennial Hills Campuses. However, he would like to have consistency at all five campuses and recommends Three Square as the new lunch provider. The current provider, WT Café, cannot provide Free and Reduced Meals. The State Public Charter School Authority would encourage CASLV to provide Free and Reduced Meals. The reporting will be done by CASLV and Three Square. Three Square is also able to provide lunch service at a lower cost to CASLV. The leftover funds will be used to offset the cost of purchasing equipment to provide hot lunch service in the future. At the Centennial campus, cold lunches will be served the first year.

*Dr. Deniz made a motion to authorize NSLP Lunch Provider for all campuses. Ms. Hayman seconded. The motion carried unanimously.*

**H. Approval of Textbook Purchasing for the New Campuses (Discussion, Action) - Mr. Nick, CFO**

Mr. Nick requested the Board's approval for additional books required for the new campuses. \$256,000 was approved at the last board meeting. This is an additional request, as some teachers had late requests. The additional books are in the budget.

*Ms. Diggins made a motion to approve the textbook purchases for the Nellis AFB and Centennial Hills Campuses. Dr. Deniz seconded. The motion carried unanimously.*

**I. Approval of Computer Hardware Purchasing for the New Campuses (Discussion, Action) - Mr. Nick, CFO**

Mr. Nick requested the board's approval for additional Dell OptiPlex computers needed for the staff at Nellis and Centennial Hills Campuses. Mr. Nick provided three estimates for the Dell OptiFlex computers. The computers will have three-year warranties and be similar to the existing computers. He recommends Provatage, as it is the least expensive. This purchase is in the budget.

*Mr. Gibson made a motion to purchase computer hardware for the new campuses for \$38,000.00 from Provatage or best offer from a different supplier. Dr. Deniz seconded. The motion carried unanimously.*

**J. Approval of Extension of Existing Cleaning Service Contract to the New Campuses (Discussion, Action)-Mr. Ercan, Executive Director**

Mr. Ercan explained that Omex Maintenance is the current cleaning company for Henderson campuses, and CASLV is happy with the service. Currently CASLV pays \$96,000.000 annually for the three Henderson campuses. Mr. Ercan began negotiations with Omex for the additional two campuses and they can be included for \$64,000.00 annually.

Mr. Nick explained that the cleaning contract was publically bid out two years ago and Omex, although not the least expensive, was the best value. Mr. Gibson wants to confirm that with the renegotiation of the contact, they are getting a better price. Mr. Ercan believes they are. Dr. Deniz would like to confirm the Omex employees are treated well. Mr. Ercan responded that the Omex employees are treated very well. He said the employees are reliable, which is important for the Nellis Campus. Mr. Gibson is concerned about extending contracts; he does not want to get into the practice of extending contracts. Mr. Gibson is concerned about the contract with Omex, as it is not written as an extension. He would like to see it written as an extension contract to be in compliance with procurement laws. Mr. Gardberg can work with Omex to rework the contract, with the board's approval on pricing and terms. Ms. Diggins reviewed the numbers and believed the per-square foot pricing is good.

*Mr. Gibson made a motion to approve the Omex cleaning extension with authorization for Mr. Gardberg to rewrite the contract with Omex for compliance with procurement laws. Mr. Tandoğan seconded. The motion carried unanimously.*

**K. Approval of Professional Guidance, Psychological Evaluation and School Nurse Service (Discussion, Action)-Mr. Nick, CFO**

Mr. Nick explained that CASLV outsourced its professional guidance to United Testing Services, Inc. and they have provided very good service to the school. United Testing Services provides two services for all five campuses at \$85.00 and guidance services for Sandy Ridge campus will be \$47,376.00. This price has been included in the budget.

*Mr. Gibson made a motion to approve United Testing Services, Inc. as the Professional Guidance, Psychological Evaluation and School Nurse Provider for CASLV 2016-2017 school year. Dr. Deniz seconded. The motion carried unanimously.*

**L. Approval of the Furniture and Equipment Agreement with CCSD for the Nellis Campus (Discussion, Action)-Mr. Ercan, CFO**

Mr. Ercan explained that CASLV has been negotiating with CCSD for six months about this furniture and equipment. The agreement is for certain existing items at the Nellis Campus from CCSD, which include smart boards, bulletin boards, dry erase boards, sound system in MP room, and the kitchen equipment. Since CCSD requested to execute this agreement by mid-June (or else the deal would fall through), this is a request for the board's ratification. With the approval of Dr. Deniz and Ms. Diggins, the agreement was already accepted (per the terms presented to CCSD by Mr. Gardberg) and signed.

*Mr. Gibson made a motion to ratify the approval of the furniture and equipment agreement with CCSD for \$52,000.00 for the Nellis Campus. Dr. Deniz seconded. The motion carried unanimously.*

**M. Approval of the AP exam and MAP testing fees (Discussion, Action)-Mr. Ercan, Executive Director**

Mr. Nick stated that since the AP Testing is over \$10,000.00, the board's approval is required. Mr. Ercan explained that the school collects the fees from students to pay for the AP exams; it is no cost for the school. Mr. Gibson asked if financial assistance is provided for students if needed. Mr. Ercan responded yes, 16-17 students benefited from the abatement program.

Also, CASLV received a grant for 2016-17 school year and will be distributing \$5,000.00 towards AP exams.

Mr. Gibson asked if MAP testing is a beneficial tool for the school. Ms. Farthing explained that the Administration has had extensive conversations regarding this, as the Charter Authority does not require MAP testing. The Charter Authority requires CASLV to use ACT Aspire on top of Smarter Balance for accountability. However, the MAP provides years of data on our students that it is crucial for school to track students and provide interim assessments aligned with Common Core. CASLV does not feel they can achieve the same results with ACT Aspire.

*Dr. Deniz made a motion to approve AP exam and MAP testing fees. Dr. Baloglu seconded. The motion carried unanimously.*

**N. Subcommittee Meeting Update (Information)-Ms. Hayman**

*This item was tabled at the May 21, 2016 meeting and presented here.*

Ms. Hayman presented the board with a summary of the Teacher Compensation Subcommittee meeting that was held on May 11, 2016. The attending members agreed that CASLV would like to offer the teachers a more competitive pay scale as well as increasing the contribution towards health benefits. It is the goal of CASLV to be more competitive with the school district and other leading charter schools in an effort to recruit and retain highly qualified teachers. Although these changes cannot be implemented for the 2016-17, as the budget has already been approved, it is the recommendation of the subcommittee to consider changes in the pay scale, as well as increasing health benefits from 20% to 50% contribution for the 2017-18 school year. A cost of living raise should be considered for this school year for teachers frozen in the current pay scale. Dr. Deniz mentioned that a long-term plan is needed to stay competitive. Mr. Gibson recommended a tenure pay scale that recognized talent and ability. He does not want to see a lock step scale. Ms. Hayman suggested having teachers make a personal growth plan similar to in the district, where teachers can enrich themselves through education, conferences, and programs to move in the pay scale. Ms. Hayman would like to make the mission of CASLV clear. The subcommittee needs to work with our faculty and keep them involved. The faculty needs a voice; we would like to be flexible in compensation to attract innovative teachers. Mr. Ercan feels that with our current pay scale, he does not have much negotiation with salary in the retention and recruitment of new teachers. He needs flexibility to fill difficult positions such as AP teachers, math, and science positions. He also needs flexibility for teachers that have maxed out on the pay scale. Mr. Gibson suggested a tenure committee to help with these decisions. A transparent policy is also very important. It is important to recognize and keep our top teachers, especially in math and science. A special meeting is recommended for the summer to address these concerns.

Separately, Mr. Ercan announced that current teacher recruitment for the upcoming school year is progressing well. Sandy Ridge currently has the largest need.

Mr. Nick presented a spreadsheet for comparison and consideration to increase the health benefits to teachers and the effect on the budget for board's information. The board will consider increasing benefits over the next three years.

**O. New Opening Campuses and Henderson Campuses Update (Informational)**

Mr. Ercan stated that the Centennial Hills campus is near completion, they are waiting on a few permits. This campus has enrolled 610 students in 24 sections. The Nellis campus has enrolled 567 students in 21 sections, with the potential to open a total of 24 sections if we have more demand. We are currently in need of three more teachers at Nellis. CASLV will receive keys for the building on June 30 or July 1, 2016. Once we receive the keys, we will apply for health and fire permits. A Certificate of Occupancy is not required at Nellis, as it is federal land. The maintenance people have been focused on the Henderson buildings in June. In July, the maintenance team will move to the Nellis Campus to begin work. The cleaning people will also do a deep clean at both the Centennial and Nellis Campuses.

The update on Henderson fourth campus: CASLV has been working on a few projects but nothing could be finalized. Regarding a proposed project on Lake Mead, Mr. Gardberg feels the land will be a good investment for CASLV. Mr. Ercan is still pursuing land options for Henderson's fourth campus. One option is the University of Phoenix Building. They have recently reduced the price on this building. The realtor has sent a letter of intent, non-binding, in CASLV's interest. This is a desirable area and will only require building improvements. The second option we are pursuing is four-five acres of land on the Horizon Ridge/Paseo Verde area. CASLV has not made any binding attempts at this time on this property.

**P. Executive Director's Annual Evaluation (Informational)**

Mr. Ercan feels the board should prepare an evaluation for his annual review. Currently we do not have a process, a rubric needs to be prepared. We need surveys sent to the teachers and other administrators to evaluate performance. Dr. Deniz suggested they prepare a survey for a December evaluation. Response by senior staff and personnel should be mandatory, teachers optional. Ms. Diggins stated that goals should also be included. The board would like to perform the evaluation in December.

**Q. Executive Director's Progress Report (Informational)**

Mr. Ercan announced that the graduations were very good and we had very good guest speakers including Dr. Deniz, Supreme Court Justice Michael Cherry, and Senator Joe Hardy. The graduations were held at Artemus Ham Hall, which was very nice. CASLV has already reserved this space for next year. Mr. Gibson was very grateful for the way CASLV handled the graduation location concerns from the religious freedom foundation.

CASLV received an AP and Dual Enrollment grant for \$239,753.00. We are very excited and will utilize it for AP Seminar/workshops, dual enrollment courses, and students' AP test fees. Many of our students take more than one AP test, which can get very expensive for their families. CASLV will use grant money and devise a system to help these families. The AP tests are important for school ranking. We also received a grant for STEM, in the amount \$120,000.00.

Administration is working very hard to get ready for the new school year. They are planning five days of teacher in-service prior to the start of the new year.

Mr. Gunozu has assumed a new position as Chief Academic Officer. Ms. Farthing will assume the Chief Operations Officer role. Ms. Yolanda Flores will be the new Site Director at the Sandy Ridge Campus. She brings eight years of experience to the school.

Ms. Farthing is very excited about our new school leaders. She feels that they are going to work well together.

**R. Public Comments**

*There we no public comments.*

**S. Adjournment (Action)**

*Dr. Deniz made a motion to adjourn the meeting. Ms. Diggins seconded. The motion carried unanimously. The meeting adjourned at 2:54pm.*